

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2498

Introduced by Assembly Member Skinner

February 19, 2010

An act to amend Section ~~2840.6~~ 2840.2 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2498, as amended, Skinner. Combined heat and power systems.

The existing Waste Heat and Carbon Emissions Reduction Act authorizes the Public Utilities Commission to require an electrical corporation to purchase excess electricity, as defined, from an eligible customer, as defined, of the electrical corporation that is delivered by a combined heat and power system, as defined, that complies with the sizing, energy efficiency, and air pollution control requirements of the act. ~~The act states the intent of the Legislature that state policies dramatically advance the efficiency of the state's use of natural gas by capturing unused waste heat, and in so doing, help offset the growing crisis in electricity supply and transmission congestion in the state.~~

~~This bill would make a technical, nonsubstantive revision to these provisions:~~

This bill would redefine combined heat and power system and greenhouse gas or greenhouse gases for purposes of the act.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 2840.2 of the Public Utilities Code is*
2 *amended to read:*

3 2840.2. For purposes of this article, the following terms have
4 the following meanings:

5 (a) “Combined heat and power system” means a system that
6 produces both electricity and thermal energy for heating or cooling
7 from a single fuel input that meets all of the following:

8 (1) Is interconnected to, and operates in parallel with, the electric
9 transmission and distribution grid.

10 (2) Is sized to meet the eligible customer-generator’s onsite
11 thermal demand.

12 (3) Meets the efficiency standards of subdivisions (a) and (d)
13 of Section 2843, ~~and~~ the greenhouse gases emissions performance
14 standard of subdivision (f) of Section 2843, *and any applicable*
15 *greenhouse gas emission reduction measure adopted by the State*
16 *Air Resources Board pursuant to Division 25.5 (commencing with*
17 *Section 38500) of the Health and Safety Code.*

18 (b) “Eligible customer-generator” means a customer of an
19 electrical corporation that meets both of the following
20 requirements:

21 (1) Uses a combined heat and power system with a generating
22 capacity of not more than 20 megawatts, that first commences
23 operation on or after January 1, 2008.

24 (2) Uses a time-of-use meter capable of registering the flow of
25 electricity in two directions. If the existing electrical meter of an
26 eligible customer-generator is not capable of measuring the flow
27 of electricity in two directions, the eligible customer-generator
28 shall be responsible for all expenses involved in purchasing and
29 installing a meter that is able to measure electricity flow in two
30 directions. If an additional meter or meters are installed, the
31 electricity flow calculations shall yield a result identical to that of
32 a time-of-use meter.

33 (c) “Electrical corporation” has the same meaning as defined
34 in Section 218.

35 (d) “Energy Commission” means the State Energy Resources
36 Conservation and Development Commission.

1 (e) “Excess electricity” means the net electricity exported to the
2 electrical grid, generated by a combined heat and power system
3 that is in compliance with Section 2843.

4 (f) “Greenhouse gas” or “greenhouse gases” ~~includes all of the~~
5 ~~following gases: carbon dioxide, methane, nitrous oxide,~~
6 ~~hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride~~
7 *shall have the same meanings as defined in Section 38505 of the*
8 *Health and Safety Code.*

9 ~~SECTION 1. Section 2840.6 of the Public Utilities Code is~~
10 ~~amended to read:~~

11 ~~2840.6. (a) It is the intent of the Legislature that state policies~~
12 ~~dramatically advance the efficiency of the state’s use of natural~~
13 ~~gas by capturing unused waste heat, and in so doing, help offset~~
14 ~~the growing crisis in electricity supply and to relieve transmission~~
15 ~~congestion in the state.~~

16 ~~(b) It is the intent of the Legislature to reduce wasteful~~
17 ~~consumption of energy through improved residential, commercial,~~
18 ~~institutional, industrial, and manufacturer utilization of waste heat~~
19 ~~whenever it is cost effective, technologically feasible, and~~
20 ~~environmentally beneficial, particularly when this reduces~~
21 ~~emissions of carbon dioxide and other carbon-based greenhouse~~
22 ~~gases.~~

23 ~~(c) It is the intent of the Legislature to support and facilitate~~
24 ~~both customer- and utility-owned combined heat and power~~
25 ~~systems.~~

26 ~~(d) This article does not apply to, and shall not impact, combined~~
27 ~~heat and power systems in operation prior to January 1, 2008, or~~
28 ~~combined heat and power systems with a generating capacity~~
29 ~~greater than 20 megawatts.~~